

Special Committee on Government Accountability and Audit
Monday, July 21, 2008
3:37 P.M.
Third Floor, City Hall

Also Present: CM Heiner, CM Flood, and President King

Special Items For Discussion - Presentation of the Single Audit Reports Under OMB Circular A-133 of the Louisville/Jefferson County Metro Government as of June 30, 2007 - Strothman & Company PSC

- Federal Financial Audit
- A-133 Audit - Single Audit Act
- GAGAS - referred to as Generally Accepted Government Auditing Standards
- Yellow Book - Audits are subject to Government Auditing Standards
- Type A Programs
 - Federal Programs with total expenditures for the audit period that exceed a specified threshold
 - Are required to be audited
- Type B Programs
 - All other Federal programs with expenditures less than the specified threshold
 - Not required to be audited, but if determined to be high risk, they can be audited
- Components of the A-133 Report
- Independent Auditor Reports
 - Opinion on the financial statements
 - Report on internal control
 - Report on compliance with requirements applicable
- The Schedule of Expenditures of Federal Awards (SEFA)
- Notes to the SEFA
- Schedule of Findings
 - Lists summary of audit results and findings and any questioned costs associated
- FY 07 Audit
 - 93 Federal programs included in the scope of the FY 07 A-133 Single Audit
 - 10 Federal programs selected as Type A for testing
- Expenditure Summary
- State law established that Metro is subject to an audit by the Auditor of Public Accounts (APA)
- Audits have been conducted by Strothman & Company
- Findings are classified as:
 - Control Deficiency
 - Significant Deficiency
 - Material Weakness
- Financial Statement Audit and Federal Award Program Audit Findings
- HUD is scheduled for a financial review this fall

- Finance as relates to Grant Functions
- Monitoring reviews
- Policies and Procedures governing monitoring
- One stop service department and the management structure of that department
- Process for drawing money on the correct programs
- Sub-Recipient Monitoring
- Grants Management in the Finance Department - Oversight for all Departments
- Tracking roll over monies
- Entitlement Grants have their own set of rules
- Money Draw Down Process
- Training of Employees

CM Hamilton requested a copy of the Consolidated Action Plan from Finance.

Kimberly Bunton, Director of Housing and Family Services; and Mike Norman, Director of Internal Audit, were invited back to give presentations at the next meeting,

Without objection the Meeting adjourned at 5:08 P.M.

KQG